

**State of Washington
Decision Package**

| | | |
|-------------------------------------|------------|----------------------------------|
| Agency: | 310 | Department of Corrections |
| Decision Package Code/Title: | 8L | Lease Rate Adjustments |

Budget Period: 2007-2009

Budget Level: M2 - Inflation and Other Rate Changes

Recommendation Summary Text:

The Department requests funds for lease increases at 52 field offices, Tumwater headquarters office, regional training centers, a work release, and a work camp.

Agency Total

| <u>Fiscal Detail</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>Total</u> |
|--|----------------|----------------|--------------|
| Operating Expenditures | | | |
| 001-1 - General Fund - Basic Account-State | \$1,478,000 | \$1,274,000 | \$2,752,000 |

| Staffing | <u>FY 2008</u> | <u>FY 2009</u> | <u>Annual Average</u> |
|-----------------|----------------|----------------|-----------------------|
| FTEs | N/A | N/A | N/A |

Program 100-Administration and Program Support

| <u>Fiscal Detail</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>Total</u> |
|--|----------------|----------------|--------------|
| Operating Expenditures | | | |
| 001-1 - General Fund - Basic Account-State | \$140,000 | \$140,000 | \$280,000 |

| Staffing | <u>FY 2008</u> | <u>FY 2009</u> | <u>Annual Average</u> |
|-----------------|----------------|----------------|-----------------------|
| FTEs | N/A | N/A | N/A |

Program 200-Institutional Services

| <u>Fiscal Detail</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>Total</u> |
|--|----------------|----------------|--------------|
| Operating Expenditures | | | |
| 001-1 - General Fund - Basic Account-State | \$67,000 | \$68,000 | \$135,000 |

| Staffing | <u>FY 2008</u> | <u>FY 2009</u> | <u>Annual Average</u> |
|-----------------|----------------|----------------|-----------------------|
| FTEs | N/A | N/A | N/A |

Program 300-Community Corrections

| <u>Fiscal Detail</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>Total</u> |
|--|-----------------------|-----------------------|------------------------------|
| Operating Expenditures | | | |
| 001-1 - General Fund - Basic Account-State | \$1,271,000 | \$1,066,000 | \$2,337,000 |
| Staffing | <u>FY 2008</u> | <u>FY 2009</u> | <u>Annual Average</u> |
| FTEs | N/A | N/A | N/A |

Package Description

The Department currently leases more than 85 offices and facilities scattered throughout the state. The majority of these are field offices, which house community corrections officers and where offenders report as part of the terms of their supervision.

In general, lease agreements are for a fixed rate for a five-year period, although some leases occasionally have an annual lease increase as part of the agreement. At the end of the lease agreement, the Department must negotiate a new lease. Escalating market rates for office space in both urban and rural areas have caused new lease agreements to be significantly higher than the original agreements. Leasing different office space is occasionally a viable option; however, in recent years, it has become extremely difficult to site offices, due to many communities not wanting offenders under supervision reporting to local offices. The Department has, therefore, found negotiating new lease agreements for existing space at increased rates to be a more viable option than siting new space. Four of the 52 total leases due to be renegotiated will include requests for tenant improvements to relocate, modify, or expand office space to accommodate current staffing needs.

In addition to the lease of offices and facilities, the Department has entered into agreements with the Department of Natural Resources (DNR) for the lease of land on which four work camps are located. These are separate agreements for each location, which are renewed based on the terms of the individual contracts.

The Department requests funding for rate increases for lease increases and related tenant improvements expected to be incurred during Fiscal Years 2008 and 2009.

Narrative Justification and Impact Statement

How contributes to strategic plan:

This request is critical to agency activities, the strategic plan, and statewide results. The request ensures that the Department has the necessary resources to maintain current levels of service and performance.

This request is required to sustain the agency activities *Confine Convicted Adults in State Prisons, Supervise Adult Offenders in the Community, Core Administration, and Reentry Services for Adult Offenders*. The resources identified will be directed to support the agency objective to protect staff. The strategy is to maintain facilities, offices, and equipment. These objectives and strategies move the Department closer to meeting its high-level organizational goals of maintaining safe work environments for staff. These high-level goals are intermediate outcomes and assist the Department in achieve statewide results that will reduce re-offense behavior and improve the safety of people and property.

Performance Measure Detail

No measures were submitted for this package.

Reason for change:

Regularly scheduled increases in lease costs and site relocations will occur in the 2007-2009 Biennium.

Impact on clients and services:

Currently, offenders are required to report to field offices located in the community in which they reside. Funding for increased lease costs will allow the Department to maintain the current level of services to the offenders in the communities.

Impact on other state programs:

N/A

Relationship to capital budget:

N/A

Required changes to existing RCW, WAC, contract, or plan:

N/A

Alternatives explored by agency:

The Department has had some success in co-locating small-scale field operations with other criminal justice and social services professionals, particularly local law enforcement, and is committed to pursuing further opportunities as they become available.

Budget impacts in future biennia:

The impact of these rate increases will need to be biennialized and carried forward into future biennia.

Distinction between one-time and ongoing costs:

The increased lease costs will continue into future biennia. The tenant improvement costs for community corrections' offices of \$354,000 are one-time expenditures.

Effects of non-funding:

Should funding not be received, the Department could lose leased sites, which would impede the Department's ability to adequately supervise offenders in the communities where offenders reside. This in turn would reduce the number of offender work crews sent to the communities to address needed work projects. In addition, critical offender programming would be affected in such areas as chemical dependency and offender behavioral programs.

Expenditure Calculations and Assumptions:**Program 100—Administration:**

The Edna Lucille Goodrich building lease will increase beginning July 1, 2007. The programmatic increase for administration is \$140,000 per year.

Institutional Services—Program 200:

Four work camps in the Department (Cedar Creek Corrections Center, Larch Corrections Center, Mission Creek Corrections Center and Olympic Corrections Center) lease the land on which the camps are located from the DNR. The lease for Olympic Corrections Center increased annually by \$2,078.

The Edna Lucille Goodrich building lease will increase beginning July 1, 2007. The programmatic increase for Institutional Services is \$65,000 per year.

Community Corrections—Program 300:

Program 300 provides funding for community supervision field offices. Additional funding is requested for 53 sites that have had leases expire and have been renewed or will be expiring prior to the end of the 2007-2009 Biennium. Calculations are based on known or expected lease increases, using prevailing market rates.

The Department is including \$354,000 to mitigate the expenses of tenant improvements and other infrastructure requirements for four offices to accommodate existing staff, eliminate overcrowding, and consolidate multiple sites into one location. This is separate and distinct from funding provided to accommodate the needs of new staff. This process is more cost effective and timely when finding additional space for current staff, since there are no siting issues that would typically occur from adding a new office location. Also, there are areas where siting issues make building owners unwilling to lease offices to the Department. When applicable, the expansion of office space at current locations will alleviate any siting issues.

In addition, the Edna Lucille Goodrich building lease will increase beginning July 1, 2007. The programmatic increase for Community Corrections is \$8,000 per year.

| <u>Object Detail</u> | <u>FY 2008</u> | <u>FY 2009</u> | <u>Total</u> |
|-----------------------------|-----------------------|-----------------------|---------------------|
| E Goods and Services | 1,477,000 | 1,274,000 | 2,751,000 |
| Total Objects | \$1,477,000 | \$1,274,000 | \$2,751,000 |